

SENATE RECORD VOTE ANALYSIS

106th Congress
1st Session

Vote No. 71

March 25, 1999, 6:42 p.m.
Page S-3388 Temp. Record

BUDGET RESOLUTION/No Tax Relief, Debt Cuts Only

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 2000-2009 . . . S.Con. Res. 20. Domenici motion to table the Voinovich amendment No. 161.

ACTION: MOTION TO TABLE AGREED TO, 67-32

SYNOPSIS: As reported, S.Con. Res. 20, the Senate Concurrent Budget Resolution for fiscal years 2000-2009: will cut the debt held by the public (money that the Federal Government owes to creditors other than itself) in half over 10 years; will fully fund Medicare (all of the President's proposed \$9 billion in Medicare cuts were rejected; as a result, this budget will allow \$20.4 billion more in Medicare spending over the next 10 years); will save the entire \$1.8 trillion in Social Security surpluses over the next 10 years for Social Security; will provide for \$778 billion in net tax relief over the next 10 years (in contrast, the President's budget would increase the tax burden by \$96 billion net over 10 years), and will adhere to the spending restraints (discretionary spending caps and pay-go provisions) of the bipartisan budget agreement as enacted in the Balanced Budget Act of 1997 and the Taxpayer Reform Act of 1997 (the President's proposed budget, in contrast, would dramatically increase spending in violation of that bipartisan agreement, and would result in \$2.2 trillion more in total Federal debt at the end of 10 years than proposed in this Senate budget).

The Voinovich amendment would strike all the tax relief and would adjust the functional totals with the intent that the money that would be denied in tax relief would be used to reduce the debt held by the public.

After debate, Senator Domenici moved to table the Voinovich amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

President Clinton has already threatened to veto a bill to create a Social Security lockbox. The President likes the rhetoric of

(See other side)

YEAS (67)			NAYS (32)		NOT VOTING (1)	
Republicans (49 or 91%)	Democrats (18 or 40%)		Republicans (5 or 9%)	Democrats (27 or 60%)	Republicans (1)	Democrats (0)
Abraham	Helms	Bayh	Burns	Akaka	McCain ⁻²	
Allard	Hutchinson	Biden	Chafee	Baucus		
Ashcroft	Hutchison	Bingaman	Jeffords	Boxer		
Bennett	Inhofe	Breaux	Specter	Byrd		
Bond	Kyl	Bryan	Voinovich	Conrad		
Brownback	Lott	Cleland		Daschle		
Bunning	Lugar	Edwards		Dodd		
Campbell	Mack	Johnson		Dorgan		
Cochran	McConnell	Kerrey		Durbin		
Collins	Murkowski	Kerry		Feingold		
Coverdell	Nickles	Landrieu		Feinstein		
Craig	Roberts	Lincoln		Graham		
Crapo	Roth	Mikulski		Harkin		
DeWine	Santorum	Reed		Hollings		
Domenici	Sessions	Schumer		Inouye		
Enzi	Shelby	Torricelli		Kennedy		
Fitzgerald	Smith, Bob	Wellstone		Kohl		
Frist	Smith, Gordon	Wyden		Lautenberg		
Gorton	Snowe			Leahy		
Gramm	Stevens			Levin		
Grams	Thomas			Lieberman		
Grassley	Thompson			Moynihan		
Gregg	Thurmond			Murray		
Hagel	Warner			Reid		
Hatch				Robb		
				Rockefeller		
				Sarbanes		

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

saying that the Social Security surplus should be saved for Social Security, but his budget proposal would just load up Social Security with paper IOUs at the same time as he spends \$158 billion, at least, of that surplus on purposes totally unrelated to the Social Security program. The only way that Federal spending has ever been effectively restrained has been by establishing strict budget rules that require supermajority votes to approve spending above pre-set limits. The proposed Social Security lockbox would establish precisely that type of rule. No program is more sacrosanct than Social Security--if President Clinton intends to veto a Social Security lockbox, how much more willing do our colleagues suppose he, Democrats in Congress, and many Republicans in Congress will be willing to oppose a lockbox that only exists to reduce the debt, and to raid it if it is enacted? Our point is that the Voinovich amendment is asking us to take a huge risk. If we strike all of the proposed tax relief as proposed in this amendment, it is unlikely to the point almost of impossibility that we will be able to lock in the surplus for debt reduction. History has shown that if money comes into the Government, there will be countless proposals to spend it. Many of the amendments we have already had to deal with on this budget resolution have been to break the spending caps, even though there is already a reserve of \$101 billion to allow additional spending for critical needs. Beyond any doubt, if the Voinovich amendment were to pass, all tax relief would be denied even though Americans are being taxed at the highest rate in history (when Federal, State, and local taxes are combined). We are nearly certain that it would also result in all or most of that money being squandered instead of being used to reduce the debt held by the public. We therefore must oppose this amendment.

Those opposing the motion to table contended:

If this amendment were to pass then the debt held by the public would be reduced from \$3.68 trillion today to just \$960 billion by the year 2009. That reduction would do more to help the American people than the proposed tax cuts. At present, 14 percent of the Federal budget is spent paying interest on the debt. In comparison, total domestic discretionary spending is just 17 percent of the budget, and total defense spending is just 15 percent. All of that 14 percent of interest payments is due to the debt held by the public. The Federal Government pays interest on the Treasury notes held by Social Security and other trust funds, but that interest is just a paper transaction that does not need real money, because it is interest that the Government is paying to itself. One account incurs the expense, and the other incurs the equal benefit, so the net transaction is zero. The real debt is the debt held by the public. If we were to pay down the debt held by the public as proposed by the Voinovich amendment, the percentage of the Federal budget spent on interest would decline to 3.6 percent. That would provide a huge amount of room in the budget for tax cuts and for some new spending. Also, our colleagues need to keep in mind the indirect benefits that would come to Americans from lower Federal debt held by the public. If the Federal Government were to reduce the debt by as much as proposed, an extra \$2.7 trillion would be released into the economy. That extra money would result in interest rates declining. Just a 1-percent decline in interest costs would save a family, on average, \$25,000 in interest payments on a home over the life of that home's mortgage. Interest rate declines would also spur investment, economic growth, and job growth. As the economy boomed the demand for Government services would decline so Federal spending could be cut even more. Tax revenues would increase and further tax cuts would then be possible. The final point that needs to be made is that we have a moral obligation to cut the debt held by the public. A child born today is born \$187,000 in debt (the per-capita share of the debt). We believe that it is nearly criminal that we would borrow money and spend it on ourselves today and leave that kind of a debt for our children to pay. We need to eliminate the debt we have accumulated. We strongly urge our colleagues to support the Voinovich amendment.